



March 24, 2006

**LETTER OF COOPERATION BETWEEN THE UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), THE UNITED
STATES OF AMERICA ENVIRONMENTAL PROTECTION AGENCY (EPA)
AND THE SECRETARIAT OF ENVIRONMENT AND NATURAL RESOURCES
(SEMARNAT) OF THE UNITED MEXICAN STATES**

**TO COLLABORATE ON THE CAPTURE AND USE OF METHANE GAS
IN THE UNITED MEXICAN STATES**

The United States of America Agency for International Development (USAID), the United States of America Environmental Protection Agency (EPA), and the Secretariat of Environment and Natural Resources (SEMARNAT) of the United Mexican States are signing this Letter of Cooperation to collaborate on the development of projects to capture and productively use methane gas in the United Mexican States under the multilateral Methane to Markets Partnership.

In November 2004, fourteen major international partners, including the United Mexican States and the United States of America, signed the Terms of Reference for the Methane to Markets Partnership, which established this Partnership. In doing so, the founding members created a framework for international cooperation to advance the recovery and use of methane as a valuable clean energy source to enhance energy security, improve environmental quality, and reduce greenhouse gas emissions. The Partnership targets project development in four specific areas including oil and natural gas facilities, landfill sites, coal mines and animal waste management operations.

SEMARNAT, in collaboration with other Mexican Federal agencies, has identified opportunities in these four areas. The objective of the United States of America – United Mexican States cooperation highlighted in this letter is to promote investment in environmental infrastructure and share best practices in order to reduce greenhouse gas emissions and, at the same time, use wasted methane as a source of clean energy. In this context, SEMARNAT, USAID, and EPA are establishing activities with specific deliverables to be accomplished between 2006 and 2008.

Under this Letter of Cooperation, the three institutions are working together to advance the goals of the Methane to Markets Partnership by sharing and expanding the use of technologies to capture methane emissions, now wasted

due to inefficient agricultural and industrial processes and practices, and to use the captured methane as a new clean energy source.

Specific activities could include:

- 1) Reducing or eliminating methane emissions from pipeline gas leaks and venting practices that occur in natural gas and oil facilities through the promotion of best practices and upgraded technologies or equipment;
- 2) Developing joint projects to recover and use methane emissions from landfills to generate a new cost-effective source of renewable energy and reduce greenhouse gas emissions;
- 3) Recovering and using methane that is vented for safety reasons from underground coal mines, and;
- 4) Enhancing profitable activities by capturing methane gas emissions through improved animal waste management, thus reducing the environmental impacts of water effluents and soil contamination, as well as air emissions, caused by the inadequate disposal of these residues.

Recognizing their leadership in the four areas of cooperation, the three institutions signing below resolve to collaborate and enhance synergies with the private sector and to help to improve capacities of local governments through their involvement in project implementation.

Signed at Washington, D.C., in duplicate in English and Spanish, this 24th day of March 2006.

FREDERICK W. SCHIECK
ACTING ADMINISTRATOR
**THE UNITED STATES OF
AMERICA AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ING. JOSÉ RAMON ARDAVÍN,
UNDERSECRETARY
**THE SECRETARIAT OF
ENVIRONMENT AND
NATURAL RESOURCES OF
THE UNITED MEXICAN
STATES**



MARCUS C. PEACOCK
DEPUTY ADMINISTRATOR
**THE UNITED STATES OF
AMERICA ENVIRONMENTAL
PROTECTION AGENCY**

